FUNDY COMMUNITY ECONOMIC DEVELOPMENT AGENCY

Annual Report

April 1, 2004 – March 31, 2005

Enterprise Fundy / Entreprise Fundy

P. O. Box / C/P. 5064
chemin 29 Milk Board Road
Sussex, NB, Canada, E4E 5L2
Tel. / Tél.: (506) 432-2639
Fax/ Télc.: (506) 432-2638
www.ent-fundy.ca

1.0 PRESIDENT'S REPORT

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The *first* year for Enterprise Fundy (2002-2003) under the Community Economic Development Agency (CEDA) concept concentrated on formative issues associated with the new Board members; engaging a new executive director and staff members; establishing the Advisory Forum; a new office location; developing a 3 Yr. Strategic Plan and passing new By-Laws.

The *second* year for Enterprise Fundy (2003-2004) was to have been a year of making operational, the concepts of community economic development. However, shortly into that fiscal year, the criteria for approval of the funding for projects by the Community Economic Development Fund (CEDF) were changed by the Province of New Brunswick, which significantly reduced the funding. The allotment of funding at the initiation of the CEDA concept in 2002 was $3 million per year for three years, with funding allocated on a population basis. Enterprise Fundy was to be allocated CEDF funding of $192,284 per year. For 2003-2004 the funding level was reduced to one third (i.e. $1 million) and Enterprise Fundy's allocation was reduced proportionately. For 2004-2005, the criteria for the approval of funding were clarified and the funding level was maintained at the same $1 million dollar level.

The issue of the CEDF funding criteria, made clear to the Presidents of the CEDAs that the communication between the fifteen CEDAs did not have an appropriate forum to discuss common strategic issues and to present a uniform position to the funding partners. An Enterprise Network had been in place, which provided representation by the Executive Directors. However, the constitution of this forum had limitations on the authority and the independence to address strategic and more controversial issues. In June 2004, the Presidents of the CEDAs through approval by the individual Board of Directors of the CEDAs, including Enterprise Fundy, restructured the Enterprise Network to incorporate Board of Director members of the CEDAs, with representation from the Executive Directors, as an Executive Committee for the Enterprise Network.

I have served as President of the Enterprise Network, as the representative of the Board of the Enterprise Fundy, since June of 2004 until the Enterprise Network annual meeting on June 9th, 2005. The focus of the Executive for the Enterprise Network was to negotiate a renewal of the funding agreement with the funding

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partners, which clearly outlined the expectations of ACOA, BNB and the 15 agencies for the next 5 years as we move the Community Economic Development agenda for New Brunswick forward. After numerous discussions, the outcome was the commitment at the federal level to a 5-year framework agreement with annual funding approvals.

In addition to the funding approach, the Strategic Plans have taken on a more focused methodology of realistically achievable plans in which the partners also have accountabilities, not just Enterprise Fundy or any of the other 14 Community Economic Development Agencies. The Work Plans are now more specific to the Strategic Plans, while being less arduous for reporting to the funding partners.

I wish to acknowledge the individual inputs that have been received during the last year from Advisory Forum members. The input of the Advisory Forums over the past three years has played a key role in establishing the priorities of the evolving Strategic Plans.

The funding partners of the Atlantic Canada Opportunities Agency (ACOA) and Business New Brunswick (BNB) have been strong and supportive participants in increasing the availability and exposure of Enterprise Fundy, ACOA and BNB to our respective and joint clients.

The Municipalities in Enterprise Fundy have all participated through financial commitment, as well as participating in Fundy Municipal Roundtable discussions. The input, both formally and informally, by the municipalities and the local service districts (LSD) have been most helpful in order to appreciate the grass root issues in the diverse region which Enterprise Fundy serves.

The Board of Directors of Enterprise Fundy has addressed the aforementioned issues and other topics (e.g. Kings East Development Partnership, UNESCO World Biosphere Designation, Youth Development Officer Funding and (Natural Gas Based) Energy Park and Point Lepreau refurbishment), which has been recognized by the other CEDAs and the levels of government. Similarly, the committees of the Board have effectively served on behalf of the Board of Directors. I wish to commend each of the Directors for the contribution that each has made during the past year. In particular, I would like to recognize Guy Russell, who due to relocation of his employment to Prince Edward Island, resigned in 2004 and to recognize the contributions of the Directors who are leaving the Board at this time- Alan DeWinter and Daryl McCully.

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The staff of Enterprise Fundy continued to display strong dedication, flexibility and innovation during the 2004-2005 fiscal year under Frank Tenhave's leadership. I have enjoyed working with Frank on the many and varied aspects of the ongoing evolution of Enterprise Fundy.

I am optimistic that the New Brunswick community based economic development model will flourish in the Enterprise Fundy region and the Province of New Brunswick.

My closing comment is directed as an encouragement to everyone interested in the economic development of the Fundy Enterprise region, to actively question and get involved in realizing the potential of the economic benefits of the natural gas resource that is located here, by utilizing this resource to build our future here.

Sincerely,

H. Brian Reid

President

EXECUTIVE DIRECTOR'S REPORT

This past year, in the short life of Enterprise Fundy can best be described as both challenging and fruitful. On the challenging side, both our previous Economic Development Officer, Jennifer Kelly, and Labour Force Development Officer, Craig Silk, decided to move on. The loss of any experienced employee from a small organization has a large impact and loosing two in the same year certainly challenged those of us that remained here. However, we carried on with minimal impact on the speed and quality of service to our business clients, which is our core business. Further, a new EDO (David Cotter) was hired by mid-year which started to turn things around. The LFDO position was not filled until after the end of the fiscal year when Christina Fowler accepted the position.

On behalf of everyone at Enterprise Fundy I want to welcome both David and Christina to our team. We have high expectations from them both but I am sure that they are both more than capable of meeting them.

Another positive event for this organization was the election of our President, Brian Reid as President to the Board of Directors for the Enterprise Network. This speaks well of the organization's confidence in Brian's abilities and means that Enterprise Fundy is fortunate enough to be able to claim the first presidency of the new Enterprise Network, something we can all be proud of.

As you can see from the details within this Annual Report, Enterprise Fundy had another busy year servicing business clients across the region with a total of nearly 400 counselling related interactions with businesses and entrepreneurs. David Cotter is now leading our efforts on that front and his efforts are much appreciated.

As well Enterprise Fundy's work in the Young Entrepreneur Development Initiative was exemplary. Our Youth Economic Development Officer, Natasha Huttges, has been truly creative in developing and delivering projects that both entertain and educate young people about business and entrepreneurism. These ranged from an "Entrepreneurial Holiday Marketplace" in the high schools to "Youth Entrepreneur Day Camps" held during the summer break for interested elementary and middle school students.

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All of these projects have been very successful and translated into great strides in rekindling the entrepreneurial culture needed in order to have a strong growing economy. Natasha's efforts have been so well recognized that she was asked to assist in the design of a totally new entrepreneurial curriculum for the entire province, based on her projects. We certainly appreciate her proactive and effective work in our region.

In addition to that impressive effort, a number of projects were initiated and supported as well. Just to highlight a few of these, there was the "ExportExpo04" held in Saint John, which Enterprise Fundy helped organize and which brought delegates in from across the Atlantic Region. Enterprise Fundy partnered with neighboring Agencies and was able to secure the funding to pay for the demanding application process required when seeking UNESCO designation. This effort is now underway and if all goes as expected by early next year the application to designate the coastal are running from St.. Martins to the Nova Scotia border a "UNESCO World Biosphere" site will be ready for submission. Another initiative lead by Enterprise Fundy is the pursuit of tourism attraction opportunities associated with the ***fossil forest*** discovered along Rte. 1. Working with the Village of Norton and all the partners and stakeholders, this effort looks like it could result in a tourism attraction such as an interpretation centre if all of the related issues can be dealt with. This would be a major step ahead for the Village and we are hopeful that something from this project comes to fruition.

Perhaps the most important initiative of the past year was the study Enterprise Fundy commissioned to review economic development opportunities created by the discovery of ***natural gas*** in the Penobsquis area. This work was done by a well-qualified company from Moncton, ShiftCentral, and verified that a real opportunity exists here. Further it researched and identified models of how some other jurisdictions utilized energy as a lever to attract investment and jobs to their area. Since this study was completed we have done further work internally and been actively lobbying the government to establish an "Energy Park" in the Penobsquis area. In a nutshell, the Energy Park would be an Industrial Park that has access to lower cost energy sources, which are a powerful incentive to attract industries that use high levels of energy in the production of their products.

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I am enthusiastic about the opportunity and the encouraging numbers coming from the exploration company, Corridor Resources. At a recent meeting they gave a presentation showing the potential gas in-place in only a part of their southern NB holdings to be 5 trillion cubic feet. When you consider that Sable Island is estimated at less than 2 trillion cubic feet of proven reserves, we have a very good reason to be pursuing this economic opportunity, as does the Province.

I want to thank all of our Partners, without them Enterprise Fundy could accomplish very little. We are fortunate to have great relationships with ACOA, BNB, TED, Tourism and Parks, the CBDCs, and all the other departments and agencies we work with and it shows in our results.

I also want to thank Joan Davidson for her contribution to our organization. Although she usually works behind the scenes, make no mistake; she is the glue that keeps things together and moving forward.

Lastly, I want to thank our President, Brian Reid for his efforts not only on behalf of Enterprise Fundy but for his work on behalf of all the agencies across the province. As I already mentioned he took on a very difficult and time-consuming job as President of the Network, on top of his position as President of our Board here. Despite this, he was always ready, willing and able to assist us in any way he could in moving projects and issues forward.

As I look ahead to the coming year, I am very optimistic about the many opportunities we have before us and I look forward to tackling them.

Sincerely,

Executive Director

2.0 BOARD OF DIRECTORS April 1, 2004- March 31, 2005

Board of Directors (Fiscal year ended March 31, 2005)

Name	Sector	County	Term Left	Appointed BY	Term Ends
Mr. Clark **Atherton** Potash Corporation of Saskatchewan P. O. Box 5039 9 McCully Station Road Penobsquis, NB E4G 2B4	Manufacturing-Food	Kings	3Yr.	ACOA	June 15/07
Ms. Michele **Bishop** Hampton Home Hardware Bldg. Center P. O. Box 1064 406 William Bell Drive Hampton, NB E5N 8H1	Retail/ Service	Kings	3Yr.	Municipal	June 15/07
Mr. Dave **Corbin** SNB Wood Co-operative Ltd. P. O. Box 4473 13 Drury's Cove Rd. Sussex, N.B E4E 5L6	Forestry	Kings	3Yr.	Municipal	June 15/07
Mr. Alan **DeWinter** MMH Prestige Homes Inc. 14 Industrial Drive Sussex, NB E4E 2R8	Manufacturing - Basic	Kings	1Yr.	Municipal	June 15/05
Mr. Joe **Fitzgerald** G. E. Barbours 165 Stewart Avenue Sussex, NB E4E 3H2	Manufacturing-Food	Kings	2Yr.	BNB	June 15/06
Mr. David **Keirstead** Salisbury Funeral Home 3350 Route 106 Salisbury West, NB E4J 3H3	Retail/ Service	Westmorland	2Yr.	BNB	June 15/06
Mr. Frank **Layton** T.P.DowneyAndSonsLtd. P. O. Box 3050 Hillsborough, NB E4H 4W5	Manufacturing-Basic	Albert	2Yr.	ACOA	June 15/06

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2.0 BOARD OF DIRECTORS April 1, 2004- March 31, 2005 (continued)

Board of Directors (Fiscal year ended March 31, 2005)

Name	Sector	County	Term Left	Appointed BY	Term Ends
Mr. Jeff **Land** Butland Seafood 8607 Main Street Alma, NB E4H 1N6	Fisheries	Albert	3Yr.	BNB	June 15/07
Mr. Daryl **McCully** Burgess Contracting Ltd P. O. Box 2505 20 Smith St. Petitcodiac, NB E4Z 6H4	Transportation	Westmorland	1Yr.	BNB	June 15/05
Mr. Grant **Obermeier** Rainbow Printing 3 Jones Court Sussex, NB E4E 2S2	Retail/Service	Kings	1Yr.	ACOA	June 15/05
Mr. H. Brian **Reid** Aliant Telecom 10th Fl. B side One Brunswick Square Box 1430 Saint John, NB E2L 4K2	Entrepreneur	Kings	1Yr.	ACOA	June 15/05
Mr. Harley **Tingley** Tingley Enterprises Ltd. 5823 King Street Riverside-Albert, NB E4H 4B4	Forestry	Albert	2Yr.	Municipal	June 15/06
Mr. Jim **Walker** Walkerville Farms Ltd. 25 Ball Hill Road Ward's Creek, NB E4E 4M3	Agriculture	Kings	3Yr.	BNB	June 15/07
Ms. Kathy **Weir** Broadleaf Guest Ranch 5526 Route 114 Hopewell Hill, NB E4H 3N5	Hospitality/ Retail/ Tourism	Albert	2Yr.	ACOA	June 15/06
Mr. Tim **Wilson** Fawcetts Do-it Center P. O. Box 2503 2 King St. Petitcodiac, NB E4Z 6H4	Manufacturing -Wood Forestry & Value Added Wood	Westmorland	1Yr.	Municipal	June 15/05

EXECUTIVE OFFICERS

Chair:	Brian Reid
Vice Chair:	Kathy Weir
Secretary:	Daryl McCully
Treasurer:	Joe Fitzgerald
Executive-at-Large:	David Keirstead
Executive-at-Large:	Jeff Land

BOARD OF DIRECTORS/COMMITTEE MEETINGS

During the 2004-2005 fiscal year, the following number, of meetings were held:

Two	Executive Committee	Nov. 3/04, and Feb. 17/05
Four	Board of Directors	June 15/04, Sept. 9, Nov. 3 and Feb. 17/05
Three	Municipality Roundtable	June 15/04, Sept. 8 and Nov. 8/04

STAFF/POSITIONS

Frank Tenhave	Executive Director
Joan Davidson	Office Administrator
David Cotter	Economic Development Officer
Jennifer Kelly	Economic Development Officer
Craig Silk	Labour Force Development Officer
Natasha Huttges	Youth Economic Development Officer

On July 26/04 *David Cotter* was hired as Economic Development Officer replacing Jennifer Kelly. David provides business counselling and other services to local Small and Medium Enterprises and Community Groups. He promotes and supports the delivery of government programs and services to SMEs and Community Clients through collaboration with government partners.

Craig Silk resigned on August 27, 2004 by accepting a formal offer to study for an Advanced Diploma in Business Geographic's. As a result *Natasha Huttges* assumed Craig's duties covering Albert and Westmorland Counties while the King's County was covered by Training & Employment Development Agency out of Saint John.

In addition to the full-time staff, the Agency received funding for a summer student under the Summer Career Placement Program. *Meghan Emery* spent 10 weeks as an Administrative Assistant working directly with our Office Administrator, Joan Davidson and Youth Economic Development Officer, Natasha Huttges. A highlight of her term was Camp Coordinator with the Hampton Business Day Camp.

OPERATIONS

In addition to regular budget funding, Fundy Community Economic Development Agency Inc. received funding for several projects maintaining all financial and process reporting.

The many special projects are as follows:

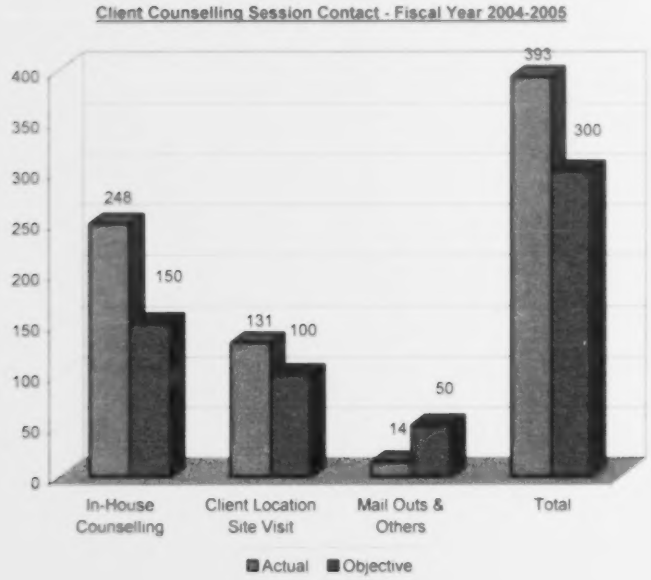
Description	Funding Partner(s)
Natural Gas Study	ACOA/RDC
Youth Economic Development Officer	ACOA/HRSDC/TED
Labour Force Development Officer	ACOA/TED
Poley Mountain Ski Area – Business Plan	BNB
A Sustainable Tourism Plan for the Kingston Peninsula	BNB

3.1 CLIENT CONTACT

During the past year, the Agency's staff assisted **363** clients in our office setting, municipal offices and client locations.

The chart and graph below reflects the results.

Contact Type	1st Q	2nd Q	3rd Q	4th Q	YTD Actual
In-house Counselling – New Start Ups and Existing Business	55	52	69	72	248
Client Location Site Visits	39	37	31	24	131
Mail Outs & Others	0	3	9	2	14
Total	94	92	109	98	393



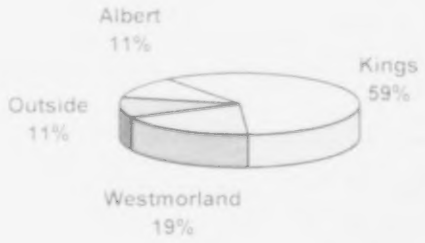
3.2 CLIENT COUNSELLING April 1, 2004- March 31, 2005

The Agency's staff continues to offer assistance, advice and guidance to facilitate the establishment of new businesses, help existing businesses grow, and to foster economic development in all sectors of the economy.

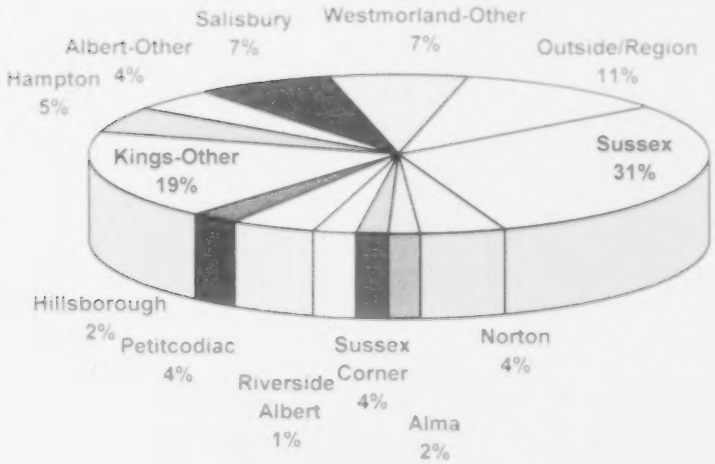
The locations of those events and projects across the region are illustrated in the following graphs.

In-house Counselling Locations
New Start Ups and Existing Businesses in the rural areas-

ALLOCATION OF COUNTY



ALLOCATION OF MUNICIPALITY



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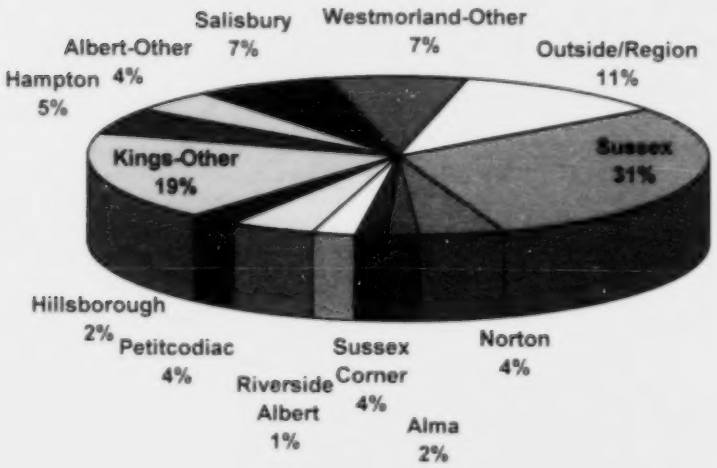
ALLOCATION OF COUNTY

ALLOCATION OF MUNICIPALITY



Events Scheduled –

4% Admin. – Administration
24% Calls - Scheduled
21% Client Couns. - Client Counselling
2% Fund. Network - Funding Network
3% Group Info. - Group Information
2% Group Train. - Group Training
4% **Meet. Sched.** - Meeting Scheduled
6% **Member. Meet**. - Membership Meeting
23% **Other (Noted)** - Miscellaneous
2% **Sp. Event** - Special Event
5% **Sp. Project** - Special Project
2% **Staff Meet**. - Staff Training
2% **Staff Train.** - Staff Training

The majority of the time, the Agency's Economic Development Officer is busy providing clients with general information and counselling. This reinforces the position of the CEDAs as being the first point of contact for the regions' entrepreneurs and established businesses.

Subsequent meetings are usually focused on a specific applicable government assistance program(s) and/or may include other related economic development partners. In addition significant time and resources have gone into community development projects. All of these efforts corresponded to our Work Plan and Strategic Plan.

4.0 PROGRAM ACTIVITY AND APPROVALS – April 1, 2004- March 31, 2005

4.1 NEW BUSINESSES CREATED

With the assistance of our Economic Development Officers, **13** new businesses were established in the fiscal year 2004/05. Seven of these new businesses received both the Entrepreneur and Self Employment Benefit assistance. Twelve companies upgraded or expanded their existing business.

The following tables illustrate the program types, total number of approvals, total value dollars of assistance and the companies receiving funding during our fiscal year April 1, 2004 – March 31, 2005.

4.2 TOTAL PROGRAM ACTIVITY

Program	Actual	Total Value of Assistance
Entrepreneur Loan Guarantee	9	$ 90,000
ACOA	7	$287,524
SEB	11	$129,750
CEDF	3	$ 44,833
Repayable Loan	1	$ 25,000
Strategic Assistance	1	$ 50,000
Technology	1	$ 600
Trade Assistance Program	3	$ 8,480
Industry Services – Technical Assistance	4	$ 25,063
TOTAL	**40**	**$661,250**

4.3 CLIENT PROGRAM APPROVALS

Our region's business community received financial assistance through a number of government programs. The following list of companies received funding totaling $661,250.00.

ASSISTANCE RECIPIENTS APPROVED IN REGION – April 1, 2004 – March 31, 2005			
Applicant	**Location**	**Program**	**Amount**
Adair, Larry Adair's Wilderness Lodge Ltd.	Shepody	Repayable Loan	25,000
Dawn Baer Baer Weaving	Kings Co.	Entrepreneur	$10,000
Dawn Baer Baer Weaving	Kings Co.	SEB	$11,250
Vernon J. Belding Graphic Image Inc.	Petitcodiac	Entrepreneur	$10,000
Vernon J. Belding Graphic Image Inc.	Petitcodiac	SEB	$11,250
Karen Bethune CADTEC Drafting Services	Hampton	SEB	$11,250
Karen S. Bethune Down East CAD Solutions	Hampton	Entrepreneur	$10,000
Bourque, Vincent Sweet Dreams Mattress Co.	Sussex	SEB	12,250
Bovaird, Chris C & C Auto Body	Hampton	SEB	12,500
Bovaird, Chris C & C Auto Body	Hampton	Entrepreneur	10,000
Butland's Seafood Seafood Operation	Alma	Technical Assistance	$15,000
Doherty, Dennis MDI Financial – Pet Food Sales	Coles Island	SEB	12,500
Enterprise Fundy Poley Mountain	Sussex	CEDF	10,000
Enterprise Fundy Natural Gas Study	Sussex	ACOA	25,000
Enterprise Fundy Kingston Peninsula Tourism Development	Kingston Peninsula	CEDF	$9,833
Enterprise Fundy UNESCO Biosphere	Sussex	ACOA	$30,000
Folkins, Kathleen Braelyd Alpaca Farm	Parleeville	Entrepreneur	10,000
Forsgren & Associates Inc.	Hampton	ACOA	$98,550
Howland, Brad Easy Kleen Pressure Systems	Sussex	Trade Assistance	2,600

Continued.....

ASSISTANCE RECIPIENTS APPROVED IN REGION - Continued			
Applicant	**Location**	**Program**	**Amount**
Howland, Stephen Extend-A-Wand	Sussex	Trade Assistance	4,025
Hunter, Tim Tamarrack Flooring Company	Penobsquis	Technology	600
Terry Keating Landscaping Business	Salisbury	SEB	$11,250
Terry Keating Landscaping Business	Salisbury	Entrepreneur	$10,000
Mark MacDonald NexGen Electric	Hampton	SEB	$11,250
Mark MacDonald NexGen Electric	Hampton	Entrepreneur	$10,000
Maritime Geothermal Ltd.	Petitcodiac	Technical Assistance	$1,370
Maritime Geothermal Ltd. Lean Manufacturing	Petitcodiac	Technical Assistance	$3,193
Mrs. Dunsters (1996) Inc. Bread & Bakery - Training	Sussex	ACOA	$23,625
NY Thermal Inc.	Sussex	ACOA	$99,999
Nice, John Nice Mechanics-Mobile Heavy Equipment Repair	Kars, NB	Entrepreneur	10,000
Nice, John Nice Mechanics -Mobile Heavy Equipment Repair	Kars, NB	SEB	12,500
Norris, Tammy A Caring Light (Health Related Services)	Salisbury	Entrepreneur	10,000
Old Bat Company	Hampton	Technical Assistance	$5,500
Brent Rourke- Marketing	Hampton	ACOA	$5,700
Brent Rourke- Upgrade	Hampton	ACOA	$4,650
Roger Steeves Canadian Syrup Inc.	Elgin	Trade Assistance	$1,855
Ronald Taylor Taylor Plumbing	Belleisle Creek	SEB	$11,250
Thorne, Ellison Ell's Cool Air – Refrigeration Repair Service	Sussex	SEB	12,500
Village of Norton Municipality	Norton	Strategic Assistance	50,000
Total all Quarters			**$661,250**

5.0 SPECIAL PROJECTS AND EVENTS April 1, 2004- March 31, 2005

During the year, staff and board members participated in a number of special projects and special events. Following are details of some of these projects and events.

5.1 SPECIAL PROJECTS

Summer Business Camp

A business day camp was held in Hampton the week of August 9-13 with 13 participants. The goal of the camp for 9-12 year olds was to introduce the participants to entrepreneurship. The activities of the camp centered around one main theme "Become Your Own Boss For A Day". During the week campers had the chance to open, operate and close their own business. The week also included a field trip to tour a local business, a business luncheon and an awards ceremony. Following the camp one of the young participants started their own business called "Kick Start Karaoke" and is hosting karaoke parties. She has done a number of birthday parties and even a few weddings. She is only 11.

Entrepreneurship Market

On Wednesday December 15th, 2004 Enterprise Fundy and School Districts 2 and 6 held an "Entrepreneurship Holiday Market" at the Sussex Regional High School. Students from the Entrepreneurship 110 Class from Sussex High, Belleisle High and Petitcodiac High schools participated. The students completed business plans for a product or service that they produced within a budget of $20.00 and sold their wares at the marketplace. A total of 67 students participated. Some very innovative products and services were put forward, ranging from homemade cookie mix in decorated mason jars to Belgian Waffles prepared before your eyes. Awards were given out in a number of categories including Best Product, Most Innovative Business and Best Business Plan.

A Project Manual was drawn up for teachers and since December 2004 training has been given to 8 entrepreneurship educators in the Fundy Region.

Mentorship Program

Efforts were made by the YEDO to create a mentorship program for the Fundy Region. A committee was put together made up of partners from both CBDC's and ACOA to work together on delivering the program. A number of local entrepreneurs were contacted in the communities to act as a mentor for a young entrepreneur and the majority of them were very enthusiastic about the program. Seven young entrepreneurs attended information sessions about the program and expressed interest in becoming a mentee. However, only three followed through with an initial meeting with their mentors. None of them pursued the relationship past the first meetings thus due to a lack of interest from young entrepreneurs the project has been put on hold.

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5.1 SPECIAL PROJECTS - continued

Fundy UNESCO Biosphere

A formal application for funding has been approved for moving forward to seek UNESCO designation for the Upper Bay of Fundy region of New Brunswick The area from St. Martins through to the N.B. – N.S. Border. This "unique" region captures all of the key components required for a designation. The project will strengthen the tourism industry throughout southeastern New Brunswick and be very complimentary to other initiatives such as the completion of the Fundy Trail. A UNESCO designation will elevate the profile of the region to a world-class destination.

Murals Project

The Kings East Development Partnership committee is in the process of making application for a Murals Project. This project has financial support of the Town of Sussex and the Village of Sussex Corner with a total project cost of approximately $500,000.00 over 2 years. The goal of the project is to paint the rich history of Central Kings County and New Brunswick in 27 morals on building walls located throughout the downtown area. The murals will create a walking attraction that will draw visitors off the highway, out of their cars and into our downtown area. The KEDP is awaiting a new program (the Innovative Communities Initiative) to be finalized so the application can be submitted.

National Gas- Based Economic Development Study

The discovery of commercial quantities of natural gas in the Sussex area prompted a study focused on the economic development opportunity. This study examined the current regulatory and business environment in New Brunswick and identified the most advantageous approach to spur investment related to this energy source.

The opportunity and feasibility of generating electricity using local natural gas was also examined. The Study confirmed that this is a good opportunity for New Brunswick to use its mineral and natural gas resources locally as an economic development driver.

Kingston Peninsula Tourism Development Study

The Kingston Peninsula Chamber of Commerce's Tourism Committee wanted to make the Kingston Peninsula more of a tourist destination. Enterprise Fundy was able to help fund this through the CEDF and as a result Dr. Laurel Reid of Tourism Synergy produced a study entitled "A case for Sensitive & Sensible Tourism Development – A Sustainable Tourism Plan for the Kingston Peninsula". The Tourism Committee was very pleased with the final report and is now working hard to make the Kingston Peninsula a Tourist Destination.

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5.1 SPECIAL PROJECTS - continued

Business Management Workshops

Enterprise Fundy worked with the New Brunswick Training Group and its ACOA sponsored program ProfitLearn. Feedback from the workshops was positive and planning is already underway for the 2005-06 year. Three seminar/workshops to provide management training opportunities for existing and future SMEs in different locations across the region were presented. The ProfitLearn sessions included "Do-it-yourself Marketing & Promotion"; "Sales Techniques"; and "Maximizing Your Cashflow" all of which drew a total of 22 participants.

Information Sessions on Program and Services

This year all staff had a part in one or more sessions, at various venues across the region. A presentation on Enterprise Fundy was given to 12-second year geography students and facility of the Université Du Moncton. Our Youth Development Officer held four sessions with a number of associations and chambers.

Self Employment Benefit Information Sessions

In association with the Community Business Development Corporation Inc. for Kings County, a monthly information session on the SEB program was presented every 3rd Tuesday of the month, at the PALS Center in Sussex. Nine sessions were held throughout the fiscal year with a total of **46** persons in attendance.

Other Projects not elaborated on include the following: (We worked on or organized)

Downeast Heritage Center
Fundy Discovery Center Project
Special tour of Kings County Businesses for various Enterprise Fundy partners
Municipalities Roundtable
Fundy Trail Parkway
Southeast NB CEDA Committee
Call Center opportunity for the Village of Hillsborough
Women in Business Breakfast Conference featuring Louise Hurtubise

Continued...

5.2 SPECIAL EVENTS

Enterprise Olympics – Gander Newfoundland

Natasha Huttges was chosen to represent the New Brunswick YEDI Network at the High School Enterprise Olympics in Gander, Newfoundland. It is an annual weekend competition between the top students in the Newfoundland High School's Enterprise Education classes. The competition includes a trade show, business plan competition and marketing challenges. She reported back to the Network on the project and used some of the components of the competition to develop this region's Campus (Marketplace) Project.

UNBSJ's OREO Competition

High school students from New Brunswick, Prince Edward Island and Nova Scotia took part in the Orientation to Running and Entrepreneurial Organization (OREO) competition. The YEDO sponsored and coached 2 teams of five students from Sussex Regional High School at UNBSJ's annual high school business competition. The aim of the competition was to give high school students experience building a business and developing strategy for that business. Lessons were learned about running a business and working together.

Other Events not elaborated on include the following: (We attended but organized by others)

- Attended presentation to Covered Bridge Visitor Information Center for funding from RDC toward completion of information center.
- Attended the following Annual Dinner and General Meetings of the Albert Co. Tourism Association 2004 Gala; CBDC Charlotte/Kings; CBDC Westmorland/Albert; Hampton Area Chamber of Commerce; Kings Co. Tourism Association; Sussex & District Chamber of Commerce; Sussex Downtown Business Association; Greater Hillsborough Chamber of Commerce and Trade Team NB
- Attended Excellence-In-Manufacturing announcement of provincial funding at Malley Industries in Dieppe
- Attended the "Budget Presentation" at the Legislature in Fredericton
- Canadian Youth Business Foundation (CYBF Kick Off) Loan program Moncton
- Community Energy Planning Workshop held at the Jubilee Hall, Princes Louise Park
- E-Commerce Business Awareness Session – Aug. 13 held at the Quality Inn
- Economics of Daycare Conference held in Fredericton
- EDAC'04 Conference and Annual Meeting in Cape Breton, Nova Scotia
- Energy Workshop " Natural Gas – Based Economic Development Study"
- Federal Caucus Gathering – (an opportunity to push local projects)
- Information Session on Point Lepreau Refurbishment
- International Northeast Trade Corridor / N.B., N.S., Maine Economic Development Association meetings

Continued…

5.0 SPECIAL PROJECTS AND EVENTS-April 1, 2004- March 31, 2005 continued

5.2 SPECIAL EVENTS - continued

Other Events not elaborated on include the following: (Continued)

- Investment Form "Bringing Chinese Investors into NB" held at the Acadia Center for Small Business & Entrepreneur
- Jonah Place B&B re-opening as a 4 star accommodation
- Junior Achievement NB Hall of Fame Awards Dinner – Saint John
- Mentorship Breakfast hosted by Enterprise Fredericton
- NB Local Chapter National Wild Turkey Federation banquet and fundraiser held at the All Seasons Restaurant in Sussex
- New Brunswick Career Action Development Group Annual Forum- Making Connections "Lets Get Practical" held in Fredericton
- Official opening of Virtual Agent Services – Call Centre in Norton by Minister Peter Mesheau
- Premier's Economic Summit held at the Lord Beaverbrook Hotel in Fredericton
- Saint John Board of Trade session "New England - Atlantic Canada Trade & Growth Corridor Forum" held at the Delta Brunswick Hotel
- State of the Province Address held at the Delta in Fredericton
- Sussex Corner Municipal Building grand opening of new premises
- Tourism Kick-Off Conference St. Andrews – April 1, 2004 and March 30/05
- Town of Sussex and BNB Job Creation announcement for the Sussex Region
- Women in Business Conference held at the Algonquin, St. Andrews
- YEDI Networking quarterly meeting held in Edmundston
- State of the Province Address in Fredericton

6.0 TRAINING/WORKSHOPS/ SEMINARS

Staff attended the following workshops and training sessions as part of their career professional development, during the fiscal year April 1, 2004- March 31, 2005

- "Seven Habits of Highly Effective People" Judith Arbow consulting firm – Saint John – March 23/05
- "Your Local Market Place" on line survey tool – Aug. 18
- Atlantic Economic Summit held in Moncton Sept. 28-29
- CMS and Contact Plus with Enterprise Saint John on Jan. 19/05
- Community Economic Development Training session – June 23/04 at the Enterprise Network Meeting
- EDO training with Mike Rouse of Enterprise Charlotte – Sept. 10
- E-municipality refresher course presented by the Breken Group –March 30/05
- First Aid Course at Red Cross in Fredericton – July 8,9 and Moncton Aug. 7, 8 (Youth Camp) March 31/05 (WCB)
- Front Page training held at the Access Centre – March 19/05
- Immigration 2004 Conference – June 24th, 25th
- Intermediate level French Language –UNBSJ Campus – Sept-Dec. 04 Night Classes
- International Trade – Ramada Inn, Fredericton, Nov. 9-10/04
- Job Shadowing and Training session for the LFDO position with Brian Ferris of TED - Aug. 27 & 30th
- N.B. Workers Investment Fund Information session – Sept. 27 at Enterprise Fundy
- NSERC "Innovation and Small Business" – WU Centre UNB Fredericton March 24/05
- Skill Path Seminar "Excelling as a First-Time Manager or Supervisor" held in Fredericton – Sept. 17/04
- University of Waterloo EDAC Year 1 Destination – Delta Barrington, NS Nov. 8-12/05

7.0 FINANCIAL STATEMENTS

April 1, 2004 – March 31, 2005

The following pages cover the accounting system for our fiscal year ending and are the final documentations for all activity from the Operating, Reserve and Capital accounts.

Force professionnelle • *Service* sur mesure • *Solutions* pratiques
Professional *Strength* • Personal *Service* • Practical *Solutions*

FUNDY COMMUNITY ECONOMIC DEVELOPMENT AGENCY INC.

FINANCIAL STATEMENTS

AUDITED

PORTER
HÉTU
INTERNATIONAL

Groupe de services professionnels
Professional Services Group

FUNDY COMMUNITY ECONOMIC DEVELOPMENT AGENCY INC.

MARCH 31, 2005

TABLE OF CONTENTS

	Page
Auditor's Report	1
Consolidated Balance Sheet	2
Capital Fund Balance Sheet	3
Statement of Investment in Capital Assets	4
Statement of Source and Application of Capital Financing	5
General Fund Balance Sheet	6
General Fund Statement of Revenue, Expenditures and Surplus	7
General Fund Statement of Cash Flow	8
Reserve Fund Balance Sheet	9
Reserve Fund Statement of Revenue, Expenditures and Surplus	10
Reserve Fund Statement of Cash Flow	11
Notes to Financial Statements	12-15

AUDITOR'S REPORT

To the Board of Fundy Community Economic Development Agency Inc.

We have examined the General, Capital and Reserve Fund Balance Sheets of Fundy Community Economic Development Agency Inc. as at March 31, 2005 and the Statements of Revenue and Expenditures as well as the Statements of Cash Flow for the year then ended.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating overall financial statement presentation.

In our opinion, these financial statements present fairly the financial position of Fundy Community Economic Development Agency Inc. as at March 31, 2005 and the results of its activities for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year, except as disclosed in the following Notes to the Financial Statements.

Sussex, New Brunswick
May 16, 2005

ALLAN EISNER, CGA
ACCOUNTING & MANAGEMENT GROUP

FUNDY COMMUNITY ECONOMIC DEVELOPMENT AGENCY INC.
CONSOLIDATED BALANCE SHEET
AUDITED
AS AT MARCH 31, 2005

	2005	2004
ASSETS		
Cash	$ 83,053	$ 77,054
Accounts Receivable	14,197	4,220
Prepaid Expenses	1,099	976
	98,349	82,250
Capital Assets	35,485	51,160
	$ 133,834	$ 133,410
LIABILITIES		
Accounts Payable and Accurals	$ 20,871	$ 17,699
Committed Advances	-	6,062
	20,871	23,761
INVESTMENT IN CAPITAL ASSETS AND SURPLUS		
Surplus	77,477	58,489
Investment in Capital Assets	35,485	51,160
	112,962	109,649
	$ 133,834	$ 133,410

SEE ACCOMPANYING NOTES
SUBJECT TO AUDIT REPORT DATED MAY 16, 2005

FUNDY COMMUNITY ECONOMIC DEVELOPMENT AGENCY INC.
CAPITAL FUND
BALANCE SHEET
AUDITED
AS AT MARCH 31, 2005

	2005	2004
ASSETS		
Capital Assets	$ 35,485	$ 51,160
LIABILITIES AND INVESTMENT IN CAPITAL ASSETS		
Investment in Capital Assets	$ 35,485	$ 51,160

APPROVED BY:

B. Brian Reid DIRECTOR

J. M. FitzGerald DIRECTOR

SEE ACCOMPANYING NOTES
SUBJECT TO AUDIT REPORT DATED MAY 16, 2005

FUNDY COMMUNITY ECONOMIC DEVELOPMENT AGENCY INC.
CAPITAL FUND
STATEMENT OF INVESTMENT IN CAPITAL ASSETS
AUDITED
FOR THE YEAR ENDED MARCH 31, 2005

	2005	2004
BALANCE, Beginning of Year	$ 51,160	$ 51,600
ADD:		
Transfer from General Fund		
Capital Expenditures	-	1,529
	51,160	53,129
DEDUCT:		
Transfer to General Fund		
Proceeds from Disposition of Capital Assets	1,000	-
Amortization	12,686	-
Loss on Disposal of Capital Assets	1,989	1,969
	15,675	1,969
BALANCE, End of Year	$ 35,485	$ 51,160

SEE ACCOMPANYING NOTES
SUBJECT TO AUDIT REPORT DATED MAY 16, 2005

FUNDY COMMUNITY ECONOMIC DEVELOPMENT AGENCY INC.
CAPITAL FUND
STATEMENT OF SOURCE AND APPLICATION OF CAPITAL FINANCING
AUDITED
FOR THE YEAR ENDED MARCH 31, 2005

	2005	2004
SOURCE:		
Transfers from		
General Fund		
Capital Expenditures	-	1,529
Proceeds from Sale of Capital Asset	1,000	-
	$ 1,000	$ 1,529
APPLICATION:		
Capital Expenditures	$ -	$ 1,529
Transfer to General Fund	1,000	-
	$ 1,000	$ 1,529

SEE ACCOMPANYING NOTES
SUBJECT TO AUDIT REPORT DATED MAY 16, 2005

FUNDY COMMUNITY ECONOMIC DEVELOPMENT AGENCY INC.
GENERAL FUND
BALANCE SHEET
AUDITED
AS AT MARCH 31, 2005

	2005	2004
ASSETS		
Cash	$ 35,750	$ 30,682
Accounts Receivable (Note 4)	14,197	4,220
Prepaid Expenses	1,099	976
	$ 51,046	$ 35,878
LIABILITIES		
Accounts Payable and Accruals	$ 20,871	$ 17,699
Committed Advances	-	6,062
	20,871	23,761
SURPLUS		
Surplus, Beginning of Year	12,117	2,899
Add: Current Year Surplus	20,956	9,218
Less: Surplus of Second Previous Year	(2,899)	-
Surplus	30,174	12,117
	$ 51,046	$ 35,878

APPROVED BY:

H. Brian Reid DIRECTOR

J m. C Ajello DIRECTOR

SEE ACCOMPANYING NOTES
SUBJECT TO AUDIT REPORT DATED MAY 16, 2005

FUNDY COMMUNITY ECONOMIC DEVELOPMENT AGENCY INC.
GENERAL FUND
STATEMENT OF REVENUE AND EXPENDITURES AND SURPLUS
AUDITED
FOR THE YEAR ENDED MARCH 31, 2005

	2005 Budget	2005 Actual	2004 Actual
REVENUE			
Cooperation Agreement	$ 263,181	$ 263,181	$ 263,181
Municipal Members (Note 6)	16,239	16,239	16,239
Training & Employment Development	45,655	19,496	44,000
Summer Career Program	2,425	2,398	2,316
Interest Income	-	1,448	1,426
Other	-	10	5
Second Prior Year Surplus	-	2,899	-
Transfer from Capital	-	1,000	-
	327,500	306,671	327,167
EXPENDITURES			
Salaries and Benefits	220,659	184,552	207,387
Special Projects (Note 7)	-	(254)	922
Telephone	8,000	7,897	7,966
Office Occupancy	18,875	18,873	18,873
Travel	33,000	29,743	34,348
Professional Fees	4,700	3,897	5,026
Directors' Expenses	3,500	3,380	2,792
Office Supplies	8,500	11,395	10,647
Promotion	8,000	8,487	7,443
Insurance	3,000	2,825	2,693
Maintenance & Technical Support	7,700	6,726	7,334
Training & Development	7,500	3,674	6,985
Subscriptions & Associations	2,500	2,826	2,458
Bank Charges	950	970	964
Other	616	724	582
Transfer to Capital Fund	-	-	1,529
	327,500	285,715	317,949
SURPLUS (DEFICIT)	-	20,956	9,218
SURPLUS, Beginning of Year		12,117	2,899
SURPLUS (DEFICIT), End of Year		$ 33,073	$ 12,117

SEE ACCOMPANYING NOTES
SUBJECT TO AUDIT REPORT DATED MAY 16, 2005

FUNDY COMMUNITY ECONOMIC DEVELOPMENT AGENCY INC.
GENERAL FUND
STATEMENT OF CASH FLOW
AUDITED
FOR THE YEAR ENDED MARCH 31, 2005

	2005	2004
CASH PROVIDED BY (USED IN)		
Operating Activities		
Working capital from operations		
Surplus (Deficit)	$ 20,956	$ 9,218
Items not affecting cash		
Second prior year's surplus	(2,899)	-
	18,057	9,218
Net change in non-working capital balances:		
Accounts Receivable	(9,977)	7,699
Accounts Payable	3,172	(37,601)
Committed Advances	(6,062)	(57,638)
Prepaid Expenses	(123)	(195)
INCREASE (DECREASE) IN CASH	5,068	(78,517)
CASH, Beginning of Year	30,682	109,199
CASH, End of Year	$ 35,750	$ 30,682

SEE ACCOMPANYING NOTES
SUBJECT TO AUDIT REPORT DATED MAY 16, 2005

FUNDY COMMUNITY ECONOMIC DEVELOPMENT AGENCY INC.
RESERVE FUND
BALANCE SHEET
AUDITED
AS AT MARCH 31, 2005

	2005	2004
ASSETS		
Cash	$ 47,303	$ 46,372
LIABILITIES AND EQUITY		
Surplus	$ 47,303	$ 46,372

APPROVED BY:

W. Brian Reid DIRECTOR

J. M. Gerald DIRECTOR

SEE ACCOMPANYING NOTES
SUBJECT TO AUDIT REPORT DATED MAY 16, 2005

FUNDY COMMUNITY ECONOMIC DEVELOPMENT AGENCY INC.
RESERVE FUND
STATEMENT OF REVENUE AND EXPENDITURES AND SURPLUS
AUDITED
FOR THE YEAR ENDED MARCH 31, 2005

	2005 Actual	2004 Actual
REVENUE		
Interest Income	$ 931	$ 1,219
SURPLUS, Beginning of Year	46,372	45,153
SURPLUS (DEFICIT), End of Year	$ 47,303	$ 46,372

SEE ACCOMPANYING NOTES
SUBJECT TO AUDIT REPORT DATED MAY 16, 2005

FUNDY COMMUNITY ECONOMIC DEVELOPMENT AGENCY INC.
RESERVE FUND
STATEMENT OF CASH FLOW
AUDITED
FOR THE YEAR ENDED MARCH 31, 2005

	2005	2004
CASH PROVIDED BY (USED IN)		
Operating Activities		
Working capital from operations Surplus (Deficit)	$ 931	$ 1,219
CASH, Beginning of Year	46,372	45,153
CASH, End of Year	$ 47,303	$ 46,372

SEE ACCOMPANYING NOTES
SUBJECT TO AUDIT REPORT DATED MAY 16, 2005

FUNDY COMMUNITY ECONOMIC DEVELOPMENT AGENCY INC.
NOTES TO FINANCIAL STATEMENTS
AUDITED
MARCH 31, 2005

1. NATURE OF THE BUSINESS

The Fundy Community Economic Development Agency Inc., operating with the trade name of Enterprise Fundy, is incorporated, without share capital, under the laws of the Province of New Brunswick. The mandate of Enterprise Fundy is to foster economic development in all sectors of the economy for rural Albert, Kings and Westmorland Counties. Enterprise Fundy works with entrepreneurs and all levels of government to encourage and assist in the establishment of new businesses, to help business grow, and to reinforce the local economic mix by attracting new business from outside the Region.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Provincial Requirements

The financial statements have been prepared in conformance, in all material respects, to the accounting principles prescribed for New Brunswick municipalities by the Department of Municipalities, Culture and Housing.

(b) Fund Accounting

The financial statements are presented in accordance with the principles of fund accounting. This method ensures the observance of the limitations and restrictions placed on the use of resources available to Enterprise Fundy. Each fund is held in accordance with the objectives specified by the donors or with the directives issued by the Board of Directors. Transfers between the Funds are authorized by the Board of Directors.

(c) Revenue and Expenditure Recognition

Revenues and expenditures are recorded on an accrual basis. Outstanding commitments for goods and services relating to the current year are accrued at the balance sheet date.

FUNDY COMMUNITY ECONOMIC DEVELOPMENT AGENCY INC.
NOTES TO FINANCIAL STATEMENTS
AUDITED
MARCH 31, 2005

3. EXPLANATION OF FUNDS

(a) General Fund

The General Fund accounts for the operations activities of Enterprise Fundy. This Fund reports unrestricted resources available for immediate purposes.

(b) Capital Fund

This fund is used to track capital acquisitions. These capital assets include: computer hardware, computer software, leasehold improvements, signs, and furniture and equipment; however, Enterprise Fundy does not own land or buildings. Amortization commenced being recorded on these assets effective the fiscal year ended March 31, 2005. Assets are being amortized using the following methods:

Computer Hardware	30% Declining balance
Computer Software	100% Declining balance
Office Equipment and Furniture	20% Declining balance
Signs	20% Declining balance
Leasehold Improvements	5 year Straight Line

(c) Reserve Fund

The Reserve Fund reports, as revenue, resources that are to be used for specific purposes as specified by the Board of Directors and, as expenses, the use of these resources for the specified purposes.

4. ACCOUNTS RECEIVABLE

General Fund	2005	2004
HST Receivable	4,823	4,220
Government of Canada	7,032	-
Training & Employment Development	2,000	-
	$ 13,855	$ 4,220

FUNDY COMMUNITY ECONOMIC DEVELOPMENT AGENCY INC.
NOTES TO FINANCIAL STATEMENTS
AUDITED
MARCH 31, 2005

5. CAPITAL ASSETS

	Cost	Accumulated Amortization	2005 Net	2004 Net
Office Equipment and Furniture	$ 17,378	$ 3,476	$ 13,902	$ 17,378
Computer Hardware	14,295	4,288	10,007	17,812
Computer Software	1,500	1,500	-	1,500
Signs	2,300	460	1,840	2,300
Leasehold Improvements	12,170	2,434	9,736	12,170
	$ 47,643	$ 12,158	$ 35,485	$ 51,160

6. MUNICIPAL MEMBERS' REVENUE

The Province of New Brunswick, through Business New Brunswick, and the participating municipalities provide operating funds to Enterpise Fundy based on its approved budgeted expenditures. Participating municipalities and their contributions follow:

	2005 Budget	2005 Actual	2004 Actual
Alma	$ 290	$ 290	$ 290
Hampton	3,997	3,997	3,997
Hillsborough	1,288	1,288	1,288
Norton	1,370	1,370	1,370
Petitcodiac	1,444	1,444	1,444
Riverside-Albert	393	393	393
Salisbury	1,954	1,954	1,954
Sussex	4,182	4,182	4,182
Sussex Corner	1,321	1,321	1,321
	$ 16,239	$ 16,239	$ 16,239

FUNDY COMMUNITY ECONOMIC DEVELOPMENT AGENCY INC.
NOTES TO FINANCIAL STATEMENTS
AUDITED
MARCH 31, 2005

?ECIAL PROJECTS

	2005 Actual	2004 Actual
Youth Entrepreneur Development Officer	$ 1	$ -
Youth Development Officer	612	(612)
Youth Service Adjustment	(309)	-
Profit and Learn	(50)	-
Three Year Strategic Plan	-	(310)
	$ 254	$ (922)